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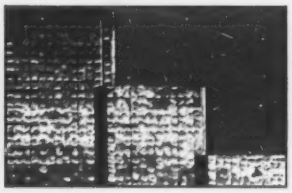
The Magazine of Real Estate Finance

56219 SU
SRI ACQUISITIONS
CONGRESSIONAL INFORMATION
SERVICE
4520 EAST-WEST HGWY, SITE 200
BETHESDA, MD 20814

Volume 45 No. 5
February 1985



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Published monthly since 1939 by the Mortgage Bankers Association of America

Business and Editorial Offices
1125 15th Street, N.W.
Washington, D.C. 20005
Editorial (202)861-6560
Advertising (202)861-6555
Circulation (202)861-6579

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Second class postage paid at Washington, D.C. and additonal mailing offices. Subscription orders should be sent to P.O. Box 37236, Washington, D.C. 20013. Letters, manuscripts, change of address and all other correspondence should be sent to Mortgage Banking 1125 15th Street N.W. Washington, D.C. 20005. Six to eight weeks are required for a change of address. Along with new address, send last magazine label.

MORTGAGE MARKET TRENDS

Prepared by MBA's Economics Department

January 17, 1985

By January 1984, the nation had experienced its first full year of non-inflationary economic growth since the middle of the 1970s. Gross national product (GNP) adjusted for changes in prices (real GNP) increased 3.7 percent in 1983. In the first quarter of 1984, real GNP grew $38.2 billion, a seasonally adjusted annual growth rate of 10.1 percent, and followed growth on the order of 6 percent in the fourth quarter of 1983. More than 90 percent of the net first quarter expansion arose from a surge in investment spending, primarily for business inventories. Consumer spending remained healthy, but off from the fourth quarter rate.

Interest rates moved upward during the quarter, with the yield curve becoming steeper. Yields on 10-year securities increased 65 basis points, to 12.32 percent in March, while short-term yields rose only 51 basis points, to 9.44 percent. Real per capita disposable personal income continued to climb, up to a 7.7 percent annual rate, and the rate of savings broke 6 percent for the first time since the third quarter of 1982.

In the second quarter 1984, the consumption and investment pictures changed radically. Total investment fell $1.6 billion, principally because of an $11 billion drop in business inventory investment during the quarter. Real GNP, however, continued to expand at the healthy rate of 7.1 percent. This growth occurred because of an increase in final sales at a 10 percent annual rate. Consumption expenditures grew at an 8 percent rate, primarily in the nondurable goods and services sectors. The yield spread on government securities increased further in the second quarter, by about 55 basis points quarter-to-quarter, while short-term yields rose to 9.94 percent in June, and long-term yields increased to 13.56 percent. Consumers increased their debt burden and dipped into their savings to finance a substantial portion of their purchases in the second quarter. Real per capita disposable personal income increased at an annual rate of 5.5 percent in the second quarter, off from the first quarter rate of 7.7 percent. The savings rate also dipped, to a 5.7 percent rate, from the first quarter mark of 6.1 percent.

Along with excellent first half economic growth was an environment of continued moderation in inflation. The GNP measures of inflation, having risen at 3.8 percent in 1983, averaged only 3.9 percent in the first half of 1984. By June 1984, the annual rate of growth in the Fed money aggregate M1 was around 8 percent, near the top of the target range. Average weekly gross earnings, however, reflecting continued competition in the employment markets, increased at less than a 2.25 percent rate in the first half of the year. Because of increased foreign penetration in American markets, inflation at the wholesale level was limited to barely a 2 percent rate.

The Fed clamped down on money growth in the early summer months of 1984. The ever-increasing federal budget deficit was financed by foreign inflows of capital associated with the growing imbalance in the foreign trade sector. Foreign capital, attracted by the vigorous U.S. economic performance and favorable dollar interest rate differentials, had been flowing into this country at a rate exceeding $100 billion a year. The concern was that these capital inflows can rapidly become outflows, and if that should happen interest rates would inevitably rise, and with them, prices. The hope was that a more restrictive Fed policy would dampen GNP growth, bring about a decline in interest rates and thus produce an environment conducive to a stable period of long-term economic growth, with only moderate increases in prices.

To be sure, the economy did slow substantially in the second half of 1984. Inventories bulged in the third quarter, as final sales slowed dramatically, from the 10 percent annual rate in the second quarter to a minus 1 percent annual rate in the third.

Consumers continued to spend for services, but declines in the purchases of both durable and nondurable goods produced a decline in the rate of GNP growth to only a 1.6 percent annual rate. Because consumers were spending less, the savings rate jumped to 6.3 percent, the highest level in more than two years. Yields on long-term Treasury securities started falling in July and lost over 100 basis points by September. Because short-term rates did not follow suit until late August, the yield spread declined by about 40 percent during the quarter.

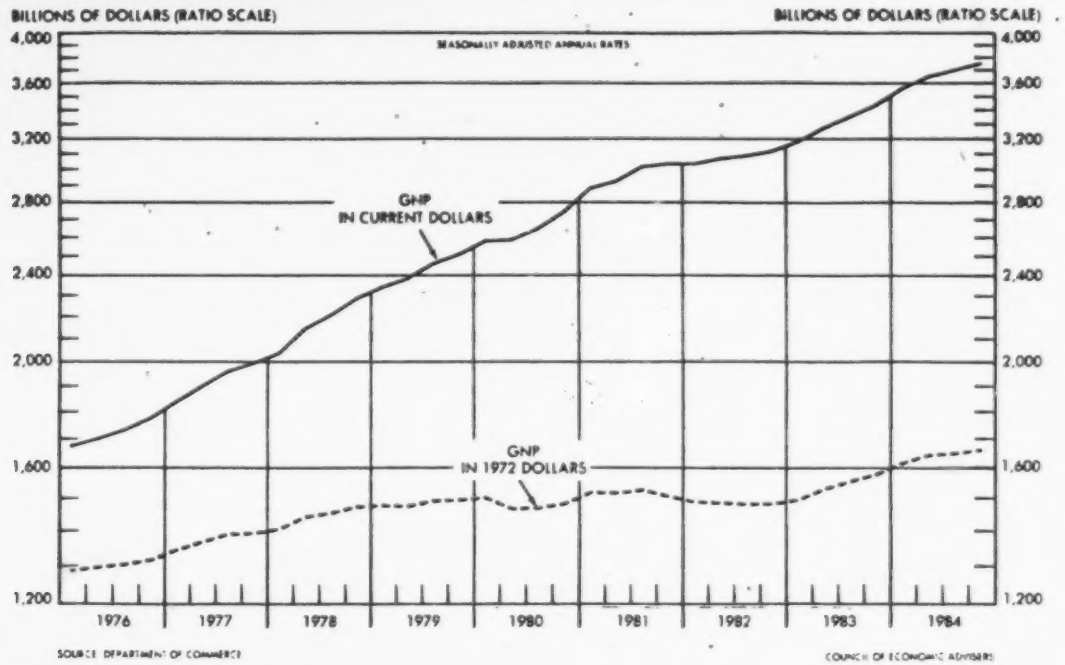
The fourth quarter showed a substantial rebound in GNP growth. Early estimates predict growth in real GNP for the last quarter at a 2.8 percent annual rate. This is a healthy rise from the third quarter and still allows for further growth in 1985. Final sales, moribund in the third quarter, increased substantially in the fourth quarter, and inventory investment lagged as businesses slowed their pace of inventory accumulation. Net exports rose sharply in the fourth quarter, but had little effect on the value of the dollar in overseas markets. Prices moderated by year-end, with the GNP measure of inflation moving to a 3 percent annual rate, from 4 percent in the third quarter.

Overall in 1984, real GNP is expected to have increased 6.7 percent during the year, with the bulk of the growth occurring in the first half and with final sales accounting for about three-quarters of this increase. Government purchases increased, and fixed residential investment was also up. Inflation is expected to have been about 4 percent for 1984, unchanged from 1983 and certainly much less than was expected in the early months of the year.

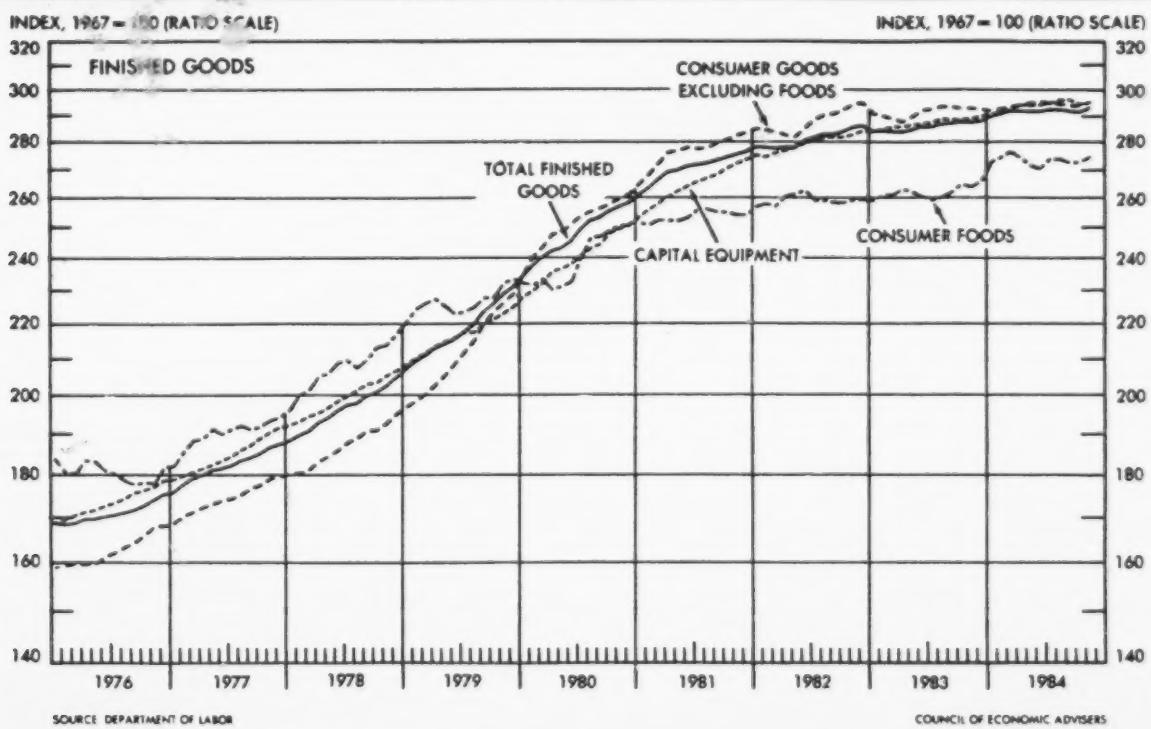
Going into 1985, the economy should exhibit moderate yet sustained overall growth. Interest rates declined slightly and can be expected to rise somewhat through the second quarter. Housing markets, reacting to these interest rate levels, should be more active in the early months than later in the year. Barring any financial shocks from foreign investment sources, the Fed practice of "leaning into the wind" should show positive results in 1985.

Gregory D. Luetscher
Assistant Economist

GROSS NATIONAL PRODUCT



PRODUCER PRICES



MORTGAGE MARKET TRENDS—FEBRUARY 1985

RESIDENTIAL STRUCTURES, BY UNIT TYPE
(Units in thousands)

Year and Month	PERMITS 16,000 ISSUING PLACES						HOUSING STARTS					
	Actual			Seasonally Adjusted Annual Rate			Actual			Seasonally Adjusted Annual Rate		
	Total	1-4 Units	5+ Units	Total	1-4 Units	5+ Units	Total	1-4 Units	5+ Units	Total	1-4 Units	5+ Units
1983												
AUG	155	98	57	1,671	1,032	639	177	121	56	1,873	1,233	640
SEP	150	91	59	1,540	994	546	155	108	47	1,679	1,153	526
OCT	142	89	53	1,650	1,049	601	159	102	57	1,672	1,113	559
NOV	124	79	45	1,649	1,060	589	136	93	43	1,730	1,204	526
DEC	108	65	43	1,602	1,056	546	107	69	38	1,694	1,154	540
1984												
JAN	111	67	44	1,799	1,144	655	109	75	34	1,980	1,415	565
FEB	125	78	47	1,902	1,234	668	130	89	41	2,262	1,611	651
MAR	147	100	47	1,727	1,136	591	138	99	39	1,662	1,208	454
APR	157	105	52	1,758	1,112	646	173	121	52	2,015	1,365	650
MAY	165	109	56	1,745	1,076	669	181	127	54	1,794	1,247	547
JUN	166	102	64	1,768	1,067	701	184	121	63	1,877	1,191	686
JUL	140	89	51	1,565	961	604	162	110	52	1,754	1,108	646
AUG	142	91	51	1,506	943	563	147	102	45	1,554	1,045	509
SEP	128	80	48	1,440	963	477	148	100	48	1,683	1,125	558
OCT	135	85	50	1,418	910	508	152	102	50	1,535	1,070	465
NOVp	121	73	48	1,591	962	629	123	88	35	1,554	1,133	421
11months												
1984	1,537	979	558				1,647	1,134	513			
1983	1,484	959	524				1,597	1,115	482			
1982	894	571	324				983	687	296			
1981	711	621	90				1,022	760	262			

VALUE OF NEW CONSTRUCTION PUT IN PLACE
(Dollars in millions)

Seasonally Adjusted Annual Rate				
Total	1 Unit	2+ Units	Non-res.
$157,313	$68,746	$26,025	$62,542
157,582	68,337	26,614	62,631
151,063	66,327	25,807	58,929
154,272	65,385	26,525	62,362
156,642	64,924	27,721	63,997
163,534	69,047	27,816	66,671
171,331	73,496	28,791	69,044
175,184	74,182	28,169	72,833
176,937	74,988	27,692	74,257
185,108	75,810	30,588	78,710
181,326	75,448	29,539	76,339
179,531	73,695	30,873	74,963
181,128	71,962	32,998	76,168
181,088	70,395	32,835	77,858
184,729	69,914	33,841	80,974
189,485	69,665	34,668	85,152

HOUSE SALES
(Units in thousands)

EXISTING HOUSES[1]	NEW HOUSES		
	Sold	Available For Sale	Months Supply at Current Rate
280	50	296	6.3
240	48	302	6.4
224	51	302	5.8
202	45	309	5.9
180	48	303	4.7
178	52	301	5.3
202	58	304	5.2
263	63	317	5.9
269	61	325	6.0
288	59	331	6.6
294	58	340	6.5
287	52	340	6.7
273	48	346	7.2
216	53	346	6.5
234	55	350	6.3
215	41	355	8.6
2,719	600		
2,541	577		
1,794	380		
2,224	402		

RESIDENTIAL STRUCTURES, BY REGION
(units in thousands)

Year and Month	PERMITS 16,000 ISSUING PLACES								STARTS							
	Actual				Seasonally Adjusted Annual Rate				Actual				Seasonally Adjusted Annual Rate			
	North East	Mid-West	South	West	North East	Mid-West	South	West	North East	Mid-West	South	West	North East	Mid-West	South	West
1983																
JUL	16	17	78	37	178	194	969	411	18	23	82	39	166	230	979	418
AUG	18	21	79	38	178	198	896	399	22	25	92	38	186	237	1,015	435
SEP	18	21	74	37	168	181	797	394	15	23	84	34	138	221	938	382
OCT	15	20	74	33	161	195	889	405	16	23	87	33	160	197	947	368
NOV	12	16	68	29	152	191	897	409	14	18	75	30	156	214	939	421
DEC	11	9	58	30	174	182	812	434	9	9	63	25	148	214	955	377
1984																
JAN	7	8	63	33	172	239	872	516	7	9	61	32	195	319	927	539
FEB	10	11	68	35	234	267	884	517	9	11	77	33	311	352	1,127	472
MAR	14	16	75	42	184	207	808	528	11	15	77	35	170	229	832	431
APR	17	21	77	42	186	223	879	470	17	21	89	46	212	245	1,023	535
MAY	22	22	76	45	218	206	854	467	19	27	88	47	171	241	910	472
JUN	18	22	78	48	184	223	874	487	23	32	87	42	234	293	930	420
JUL	17	21	64	38	178	229	749	409	20	23	78	40	184	242	914	414
AUG	19	20	64	39	184	190	726	406	21	24	67	35	183	223	739	409
SEP	18	19	57	34	185	178	684	393	19	24	69	36	190	234	820	439
OCT	19	21	59	37	181	182	651	404	22	26	68	36	213	215	727	380
NOVp	17	17	56	30	210	208	737	436	21	19	55	29	246	220	682	406
11 months																
1984	178	198	737	423					189	231	816	411				
1983	152	178	796	359					159	207	877	357				
1982	101	111	486	194					107	141	550	183				
1981	103	125	449	234					106	157	530	225				

CONSTRUCTION STATUS
(units in thousands)

UNDER CONSTRUCTION			COMPLETIONS		
Total	1-4 Units	5+ Units	Total	1-4 Units	5+ Units
988	615	373	120	91	29
1,010	629	381	155	106	49
1,025	632	393	133	99	34
1,025	620	405	153	110	43
1,035	616	419	125	94	31
1,003	582	421	138	102	36
995	578	417	112	76	36
1,008	586	422	109	77	32
1,022	600	422	119	82	37
1,064	632	432	127	86	41
1,098	660	438	143	95	48
1,118	672	446	156	104	52
1,132	677	455	146	102	44
1,124	669	455	151	108	43
1,123	662	461	147	105	42
1,116	661	455	157	104	53
1,109	657	452	130	92	38
			1,497	1,031	466
			1,255	919	336
			928	661	267
			1,152	848	304

INTEREST RATES AND YIELDS

Year and Month	1-4 UNIT MORTGAGES					APARTMENTS[3]	CONSTRUCTION LOANS[4] ALL TYPES	FNMA		GNMA Current Securities Yield[5]	SELECTED SECURITIES				SPREADS (Basis Points)	
	FHA Opinion Survey			FHLBB Survey				Mandatory Delivery Yields								
	FHA New[2]	Conventional		Conventional				ARM (5 yr. Treas.)	Conv.		Aaa Utility[7] New Issue	U.S. Gov't. 10-yr.	U.S. Gov't. 26-wk.	Prime Commercial Paper 90-119 Days	FHA New Minus Aaa Utility	GNMA minus 10-yr. Gov't.
		New	Existing	New	Existing											
1983																
AUG	13.78%	13.90%	13.92%	12.38%	12.72%	14.38%		13.195%	13.688%	13.22%	12.25%	11.85%	9.51%	9.54%	153	137
SEP	13.55	13.60	13.62	12.54	12.85	14.24	12.99%	12.863	13.213	12.78	12.53	11.65	9.15	9.24	102	113
OCT	13.23	13.52	13.53	12.25	12.65	14.11		12.575	12.963	12.58	12.43	11.54	8.83	8.99	80	104
NOV	13.23	13.48	13.49	12.34	12.58	14.15	12.94	12.787	13.012	12.62	12.64	11.69	8.93	9.10	59	93
DEC	13.25	13.42	13.42	12.42	12.39	13.95		12.870	13.050	12.65	12.62	11.83	9.17	9.53	63	82
1984																
JAN	13.08	13.28	13.27	12.29	12.16	13.74		12.788	12.800	12.46	12.99	11.67	9.02	9.20	9	79
FEB	13.20	13.31	13.32	12.23	12.19	13.98	13.34	12.863	12.938	12.48	13.05	11.84	9.18	9.32	15	64
MAR	13.68	13.57	13.58	12.02	12.17	14.29		13.325	13.375	12.88	13.63	12.32	9.66	9.83	5	56
APR	13.80	13.77	13.79	12.04	12.07	14.58		13.625	13.638	13.16	13.96	12.63	9.84	10.18	(16)	53
MAY	15.01	14.38	14.40	12.18	12.10	15.32	13.76	14.200	14.400	13.85	14.79	13.41	10.31	10.65	22	44
JUN	14.91	14.65	14.67	12.10	12.26	15.70		14.810	14.770	14.22	15.00	13.56	10.51	10.98	(9)	66
JUL	14.58	14.53	14.54	12.50	12.53	15.53		14.810	14.450	14.01	14.93	13.36	10.53	11.19	(35)	65
AUG	14.21	14.24	14.25	12.43	12.75	15.24	14.56	14.050	13.910	13.52	14.12	12.72	10.61	11.18	9	80
SEP	13.99	13.98	14.00	12.53	12.91	15.07		13.913	13.738	13.30	13.86	12.52	10.47	11.04	13	78
OCT	13.43	13.59	13.61	12.77	13.00	14.42		13.588	13.363	13.08	13.52	12.16	9.87	10.12	(9)	92
NOV	12.90	13.20	13.21	12.75	12.89	13.86		12.770	12.710	12.59	12.98	11.57	9.39	9.03	(8)	102

LONG-TERM MORTGAGE LOANS CLOSED

(Dollars in Millions)

Year and Month	BY TYPE OF INSTITUTION					BY TYPE OF UNIT, AND INSTITUTION													
						1-4 Units					5+ Units					Nonresidential				
	Total	Mtg. Bankers	S&Ls	Banks[6]	Life Cos.	Total	Mtg. Bankers	S&Ls	Banks[6]	Life Cos.	Total	Mtg. Bankers	S&Ls	Banks[6]	Life Cos.	Total	Mtg. Bankers	S&Ls	Banks[6]	Life Cos.
1983																				
APR	$20,459	$6,080	$ 7,942	$ 5,681	$ 756	$14,661	$4,790	$ 6,292	$3,523	$ 56	$1,884	$890	$ 656	$288	$ 50	$3,910	$400	$ 990	$1,870	$ 650
MAY	22,111	5,590	8,348	7,354	819	15,670	4,740	6,903	3,970	57	1,397	300	549	490	58	5,044	550	896	2,894	704
JUN	29,936	7,120	10,936	10,354	1,526	20,993	5,950	8,683	6,268	92	2,621	910	916	645	150	6,322	260	1,337	3,441	1,284
JUL	24,310	5,810	10,275	7,230	995	18,650	5,450	8,297	4,839	64	1,191	30	759	331	71	4,469	330	1,219	2,060	860
AUG	28,942	5,730	11,291	10,042	1,879	20,755	5,000	9,197	6,501	57	1,725	220	740	523	242	6,462	510	1,354	3,018	1,580
SEP	24,331	4,470	10,331	8,115	1,415	16,815	3,660	8,127	4,979	49	1,569	220	774	439	136	5,947	590	1,430	2,697	1,230
OCT	21,235	4,300	8,586	7,121	1,228	14,927	3,630	6,823	4,427	47	1,501	170	759	410	162	4,807	500	1,004	2,284	1,019
NOV	20,938	5,340	8,202	6,039	1,357	14,606	4,690	6,317	3,549	50	1,801	100	783	699	219	4,531	550	1,102	1,791	1,088
DEC	26,024	4,970	10,553	6,793	3,138	15,858	4,860	7,441	3,455	102	2,254	110	996	849	299	7,912	570	2,116	2,489	2,737
1984																				
JAN	20,001	4,870	7,818	6,558	755	13,544	4,190	5,839	3,467	48	1,836	320	938	531	47	4,621	360	1,041	2,560	660
FEB	19,099	4,310	7,721	6,101	967	12,328	3,350	5,724	3,212	42	1,796	570	739	339	148	4,975	390	1,258	2,550	777
MAR	22,857	4,690	10,158	6,914	1,095	14,949	3,770	7,414	3,680	85	2,070	370	1,052	555	93	5,838	550	1,692	2,679	917
APR	24,913	5,870	11,261	6,271	1,511	17,350	4,940	8,507	3,831	72	1,960	410	1,100	264	186	5,603	520	1,654	2,176	1,253
MAY	27,303	5,230	13,393	7,439	1,241	19,457	4,480	10,454	4,419	104	1,929	140	1,255	439	95	5,837	610	1,684	2,581	1,042
JUN	29,599	5,490	14,485	7,629	1,995	20,565	4,680	11,054	4,779	52	1,946	20	1,343	441	142	7,088	790	2,088	2,409	1,801
JUL	24,970	3,760	12,979	7,061	1,170	17,929	3,330	10,213	4,314	72	1,575	0	963	536	76	5,466	430	1,803	2,211	1,022
AUG	25,307	3,570	12,532	7,479	1,726	16,944	3,070	9,546	4,264	64	1,558	0	1,221	313	24	6,805	500	1,765	2,902	1,638
SEP	20,074	3,050	9,654	6,492	878	13,149	2,400	6,889	3,803	57	1,474	70	1,083	297	24	5,451	580	1,682	2,392	797
OCTp	n.a.	3,510	n.a.	n.a.	n.a.	n.a.	2,920	n.a.	n.a.	n.a.	n.a.	0	n.a.	n.a.	n.a.	n.a.	590	n.a.	n.a.	n.a.

LONG-TERM COMMITMENT ACTIVITY

(Dollars in Millions)

Year and Month	OUTSTANDING					ISSUED DURING MONTH				
	Total	Mtg. Bankers	S&Ls	Banks[6]	Life Cos.	Total	Mtg. Bankers	S&Ls	Banks[6]	Life Cos.
1983										
APR	$ 76,041	$19,550	$31,850	$14,311	$10,330	$22,049	$7,460	$ 9,730	$3,265	$1,594
MAY	78,413	17,740	33,306	16,242	10,531	23,141	7,470	10,622	3,744	1,305
JUN	81,936	19,560	35,319	15,910	11,147	26,002	7,330	12,555	4,011	2,106
JUL	78,741	17,090	36,852	12,651	12,148	26,571	6,840	14,092	3,475	2,164
AUG	79,490	14,990	38,590	13,770	12,140	24,126	6,160	12,668	3,653	1,645
SEP	77,774	13,750	38,562	13,495	11,967	20,364	4,620	10,895	3,454	1,395
OCT	89,570	25,840	38,417	13,721	11,592	19,614	6,130	9,484	2,940	1,060
NOV	85,851	15,990	39,969	17,943	11,949	22,804	7,610	10,182	3,447	1,565
DEC	90,532	22,650	40,410	17,075	10,397	20,760	6,310	10,016	3,119	1,315
1984										
JAN	80,916	15,170	40,781	14,253	10,712	18,183	4,660	9,173	3,010	1,340
FEB	86,522	15,890	42,792	16,441	11,399	19,446	3,980	10,477	3,376	1,613
MAR	88,200	13,410	45,801	16,257	12,732	25,239	5,290	12,954	4,432	2,563
APR	100,399	16,870	51,965	17,702	13,862	26,033	4,700	14,433	4,555	2,345
MAY	103,392	15,950	54,478	18,579	14,385	27,888	4,950	15,997	5,096	1,845
JUN	99,830	12,280	54,698	19,122	13,730	24,649	3,810	14,559	4,736	1,544
JUL	98,039	11,480	54,102	19,227	13,230	22,723	4,060	13,424	4,108	1,131
AUG	92,436	7,970	52,800	18,655	13,011	19,641	2,920	12,316	3,530	875
SEP	90,837	8,150	51,666	17,591	13,430	17,127	2,910	9,852	2,870	1,495
OCT	n.a.	8,400p	n.a.	n.a.	n.a.	n.a.	3,910p	n.a.	n.a.	n.a
NOV	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

MORTGAGE INSURANCE

(Units in Thousands, Dollars in Millions)

Year and Month	APPLICATIONS RECEIVED UNITS			INSURED							
	FHA/VA Total	FHA/VA	Private	Total Units	Total Amt.	FHA (203) Units	FHA (203) Amt.	VA Units	VA Amt.	Private Units	Private Amt.
1983											
APR	180	117	63	96	$5,483	39	$1,867	19	$1,190	38	$2,426
MAY	165	91	74	101	5,959	24	1,152	30	1,911	47	2,896
JUN	233	145	85	139	8,015	60	2,938	24	1,541	55	3,536
JUL	182	102	80	115	6,863	38	1,854	20	1,224	57	3,785
AUG	205	106	99	139	8,665	31	1,641	35	2,193	73	4,831
SEP	152	66	86	161	9,702	56	2,922	33	2,092	72	4,688
OCT	141	58	83	125	7,752	26	1,362	30	1,934	69	4,456
NOV	131	51	80	131	7,980	34	1,772	25	1,598	72	4,610
DEC	136	46	90	118	7,594	20	1,046	22	1,448	76	5,092
1984											
JAN	121	45	76	109	7,017	14	753	24	1,544	71	4,720
FEB	123	44	79	101	6,467	20	1,093	22	1,449	59	3,925
MAR	159	49	110	124	7,715	35	1,807	19	1,202	70	4,706
APR	167	48	119	110	7,103	16	882	17	1,114	77	5,107
MAY	174	45	129	126	8,051	17	924	17	1,081	92	5,965
JUN	159	35	124	138	9,064	20	1,076	16	1,060	102	6,928
JUL	148	32	116	135	8,872	16	834	18	1,131	101	6,907
AUG	136	30	106	129	8,435	17	904	16	998	96	6,533
SEP	116	28	88	100	6,543	14	733	12	775	74	5,035
OCT	136	38	98	106	6,866	12	614	14	861	80	5,391
NOV	118	36	82	85	5,363	9	440	11	668	65	4,255

SECONDARY MARKET ACTIVITY

(Dollars in Millions)

Year and Month	FNMA				FHLMC				GNMA	
	Portfolio		Mortgage Backed Securities						Pass-Through Securities	
	Comm.	Purc.	Outstanding	Issued	Comm. to Sell	Comm. to Buy	Mtg. Purc.	Sold	Applications	Issued
1983										
APR	$1,023	$1,004	$19,138	$1,152	$2,149	$3,079	$1,807	$1,525	$6,423	$4,359
MAY	1,534	1,579	20,064	1,160	2,881	2,334	2,439	1,408	6,687	4,654
JUN	2,506	1,333	20,933	1,097	2,319	2,358	1,494	1,244	6,444	5,246
JUL	1,198	1,358	22,313	1,651	4,621	4,671	1,523	1,491	5,468	4,363
AUG	1,282	1,213	23,078	1,052	5,592	6,367	1,621	1,585	7,976	5,943
SEP	2,739	1,203	23,819	1,018	3,183	3,283	2,263	1,555	6,749	4,200
OCT	1,882	1,244	24,311	750	2,382	2,598	2,886	2,758	3,891	3,808
NOV	997	1,348	24,475	381	1,596	2,093	1,287	1,139	4,201	3,857
DEC	1,471	2,204	25,121	841	1,261	1,704	1,685	1,121	4,046	2,543
1984										
JAN	1,772	1,285	25,182	251	1,293	1,470	1,419	978	2,500	2,718
FEB	1,930	1,507	26,125	1,126	1,127	1,385	1,389	1,338	4,422	3,030
MAR	1,626	2,030	28,354	2,405	1,704	1,873	1,290	868	3,083	2,488
APR	1,561	1,775	28,661	502	1,577	1,701	983	723	2,261	1,981
MAY	1,233	1,379	28,962	552	1,826	1,966	987	832	3,596	2,779
JUN	1,995	1,209	29,256	580	3,038	2,712	2,204	1,845	3,142	2,268
JUL	1,976	1,226	30,485	1,533	3,835	3,929	1,288	1,579	3,252	2,325
AUG	1,227	820	32,054	1,862	3,003	3,130	1,821	1,579	2,385	2,373
SEP	1,142	1,145	32,888	1,092	3,350	3,440	1,262	1,139	2,885	1,921
OCT	1,638	1,087	33,784	1,111	2,453	2,663	2,864	2,568	2,360	2,473
NOV	2,150	1,297	34,821	1,240	3,865	4,158	2,241	1,996	2,922	1,432

MORTGAGE BANKERS CONSTRUCTION AND LAND LOAN ACTIVITY

(Dollars in Millions)

Year and Month	DISBURSEMENTS DURING MONTH					CONSTRUCTION LOANS CLOSED			
	Construction				Land Loans				
	Total	1-4 Units	5+ Units	Non-res.		Total	1-4 Units	5+ Units	Non-res.
1983									
APR	$130	$ 50	$10	$ 70	$ 60	$290	$150	$610	$ 80
MAY	320	160	40	120	160	470	130	80	260
JUN	430	170	60	200	120	500	130	90	280
JUL	120	60	10	50	40	180	80	30	70
AUG	110	70	10	30	80	200	120	20	60
SEP	160	70	20	60	50	440	100	60	280
OCT	130	60	20	50	90	350	90	140	120
NOV	140	70	10	60	90	390	150	120	120
DEC	570	180	50	340	250	560	130	190	240
1984									
JAN	180	70	20	90	140	460	130	100	230
FEB	150	70	10	70	90	280	80	90	110
MAR	190	80	30	80	220	350	120	80	150
APR	200	90	30	80	100	620	140	360	120
MAY	180	80	10	10	160	420	190	130	100
JUN	380	120	10	250	360	760	120	180	460
JUL	280	70	10	200	180	790	130	210	450
AUG	100	60	0	40	90	410	110	130	170
SEP	100	50	10	40	120	440	100	160	180
OCT	90p	40p	10p	40p	130p	400p	210p	100p	90p
NOV	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

n.a.—Not available; p—Preliminary

[1]From the National Association of Realtors' "Existing Home Sales" series.

[2]Secondary market gross yields.

[3]Federal Home Loan Mortgage Corp. Existing construction only.

[4]Federal Reserve's weighted average interest rate for Commercial Banks.

[5]Securities for 30 day delivery.

[6]Mutual Savings Banks and Commercial Banks.

[7]As of January 1984 this rate is for A-rated recently offered utility bonds.

Sources: American Council of Life Insurance, Board of Governors of the Federal Reserve System, Bureau of the Census, Citicorp Real Estate Inc., Department of Housing and Urban Development, Federal Home Loan Bank Board, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Government National Mortgage Association, Mortgage Bankers Association of America, National Association of Mutual Savings Banks, National Association of Realtors, Telerate Financial Information Network, Veterans Administration.

MORTGAGE BANKING ACTIVITY

LONG-TERM MORTGAGE LOANS CLOSED[1]

Year and Month	SEASONALLY ADJUSTED				NOT SEASONALLY ADJUSTED							
						1-4 Units				5+ Units		
	Total[2]	1-4 Units	5+ Units	Non-res.[3]	Total	Total	FHA	VA	Conv.	Total	FHA	Conv.	Non-res.[3]
1982													
NOV	$3,800	$3,290	$ 250	$ 280	$ 3,240	$ 2,770	$ 1,190	$ 690	$ 890	$ 200	$140	$ 60	$ 270
DEC	4,340	4,000	120	240	4,720	4,210	1,620	1,020	1,570	150	0	150	360
1983													
JAN	5,300	4,640	340	240	4,710	3,880	1,720	940	1,220	650	30	620	180
FEB	5,590	5,350	220	360	4,450	3,980	1,640	970	1,370	170	0	170	300
MAR	5,910	5,170	90	620	5,910	5,050	2,180	1,350	1,520	70	40	30	790
APR	6,270	5,030	1,080	380	6,080	4,790	1,890	1,130	1,770	890	0	890	400
MAY	5,500	4,790	290	440	5,590	4,740	2,030	1,150	1,560	300	10	290	550
JUN	6,110	4,970	680	320	7,120	5,950	2,150	1,310	2,490	910	600	310	260
JUL	5,400	4,740	60	370	5,810	5,450	2,110	1,280	2,060	30	10	20	330
AUG	5,110	4,260	380	590	5,730	5,000	1,760	1,170	2,070	220	30	190	510
SEP	4,750	3,710	370	710	4,470	3,660	1,260	830	1,570	220	60	160	590
OCT	4,190	3,410	110	630	4,300	3,630	1,130	750	1,750	170	0	170	500
NOV	6,160	5,480	130	540	5,340	4,690	1,330	840	2,520	100	30	70	550
DEC	5,150	4,590	90	410	5,540	4,860	1,420	850	2,590	110	0	110	570
1984													
JAN	5,520	5,140	170	460	4,870	4,190	1,140	750	2,300	320	10	310	360
FEB	5,210	4,340	660	460	4,310	3,350	1,030	770	1,550	570	30	540	390
MAR	4,680	3,810	520	440	4,690	3,770	810	560	2,400	370	10	360	550
APR	6,140	5,330	490	490	5,870	4,940	1,070	740	3,130	410	0	410	520
MAY	5,060	4,410	130	460	5,240	4,480	960	690	2,830	140	0	140	610
JUN	4,650	3,860	20	1,020	5,490	4,670	1,050	700	2,930	20	0	20	790
JUL	3,530	2,960	0	460	3,760	3,330	800	530	2,000	0	0	0	430
AUG	3,120	2,600	0	510	3,570	3,070	520	380	2,170	0	0	0	500
SEP	3,380	2,500	120	780	3,050	2,400	550	380	1,470	70	70	0	580
OCTp	3,420	2,740	0	750	3,510	2,920	780	440	1,700	0	0	0	590
Year to Date[5]													
1984					$44,360	$37,130	$ 8,710	$ 5,940	$22,480	$1,900	$120	$1,780	$5,320
1983					54,170	46,130	17,870	10,880	17,380	3,630	780	2,850	4,410
1982					21,290	17,460	5,700	3,450	8,310	1,230	500	730	2,600
1981					29,120	22,600	7,380	5,520	9,700	1,510	760	750	5,020

COMMITMENT ACTIVITY: LONG-TERM MORTGAGE LOANS[1]

Year and Month	COMMITMENTS DURING MONTH							OUTSTANDING COMMITMENTS END OF MONTH					
	To Borrowers				From Investors				To Borrowers			From Investors		
	Total	1-4 Units	5+ Units	Non-res.[3]	Total	1-4 Units	5+ Units	Non-res.[3]	1-4 Units	5+ Units	Non-res.[3]	1-4 Units	5+ Units	Non-res.[3]
1982														
NOV	$ 7,290	$ 5,740	$ 490	$1,060	$ 6,010	$ 3,990	$ 950	$1,070	$13,260	$ 1,490	$ 910	$10,010	$ 2,250	$1,160
DEC	6,110	5,230	170	710	5,330	4,170	180	980	14,680	800	840	9,400	1,180	1,040
1983														
JAN	7,010	5,550	880	580	5,140	4,250	80	810	14,370	1,240	910	8,920	1,380	1,140
FEB	6,460	5,850	290	320	6,160	4,690	630	840	15,840	1,960	1,040	8,260	2,260	1,420
MAR	7,660	6,060	1,390	210	9,130	6,560	1,830	740	15,450	2,190	860	9,750	2,480	1,160
APR	7,460	6,080	460	920	8,300	6,880	260	1,160	16,140	2,240	1,170	11,480	2,440	1,430
MAY	7,470	7,030	0	440	6,080	5,310	190	580	16,350	540	850	9,970	1,590	1,110
JUN	7,330	7,210	0	120	7,760	7,030	310	420	18,300	530	730	12,230	1,590	1,010
JUL	6,840	6,170	0	670	7,060	6,280	160	620	15,890	520	680	11,760	680	870
AUG	6,160	5,450	0	710	6,950	5,920	20	1,010	13,640	460	890	10,820	570	1,050
SEP	4,620	4,510	0	110	5,880	4,350	870	660	12,560	410	780	8,610	1,260	790
OCT	6,130	4,900	240	990	6,280	5,810	200	270	12,870	12,030	940	9,910	13,830	940
NOV	7,610	4,870	800	1,940	5,910	4,010	940	960	13,420	1,440	1,130	10,340	2,390	1,030
DEC	6,320	4,060	250	2,010	4,800	3,150	280	1,370	11,600	10,120	930	7,660	11,950	1,060
1984														
JAN	4,660	4,020	10	630	3,690	2,930	170	590	11,420	2,990	760	8,140	4,670	810
FEB	3,980	3,340	0	640	7,230	4,620	1,830	780	11,830	3,200	860	9,560	5,370	810
MAR	5,290	4,080	0	1,210	4,590	3,530	90	970	12,680	0	730	8,950	1,710	730
APR	4,700	4,300	0	400	5,140	4,540	80	520	13,920	1,970	980	11,200	2,160	980
MAY	4,950	4,070	0	880	4,620	3,530	530	560	13,240	1,510	1,200	9,630	3,310	1,120
JUN	3,810	3,250	40	520	5,970	4,550	70	1,350	11,550	170	560	9,420	350	1,770
JUL	4,060	2,940	0	1,120	4,050	3,580	20	450	10,840	70	570	9,870	250	1,570
AUG	2,920	2,630	0	290	4,220	3,380	10	830	7,430	40	500	7,730	210	1,600
SEP	2,910	2,640	30	240	2,760	2,400	80	280	7,350	300	500	7,460	480	800
OCTp	3,910	3,240	0	670	4,830	4,090	310	430	7,660	300	530	8,400	460	740
Year to Date[5]														
1984	$41,190	$34,510	$ 80	$6,600	$47,100	$37,150	$3,190	$6,760						
1983	67,140	58,810	3,260	5,070	68,740	57,080	4,550	7,110						
1982	34,400	25,790	2,670	5,940	35,400	26,220	2,830	6,350						
1981	31,630	26,480	850	4,300	37,980	26,900	1,390	9,690						

Notes: [1]All dollar amounts are in millions.
[2]Total is seasonally adjusted separately from components. Total, therefore, may not equal sum of parts.
[3]Series labeled non-residential are also inclusive of farm data.
[4]Percent coverage equals outstanding commitments recieved from investors divided by the sum of outstanding end of month inventory and outstanding commitments issued to borrowers, all multiplied by 100.
[5]Year-to-date seasonally adjusted series not calculated.

OUTSTANDING END OF MONTH INVENTORY[1] — COVERAGE[4] — SERVICING VOLUME[1]

Year and Month	Total	1-4 Units				5+ Units			Non-res.[3]	1-4 Units	5+ Units	Non-res.[3]	1-4 Units	5+ Units	Non-res.[3]
		Total	FHA	VA	Conv.	Total	FHA	Conv.							
1982															
NOV	$ 9,140	$5,070	$1,440	$1,050	$2,580	$2,890	$400	$2,490	$1,180	55%	51%	56%	$240,710	$29,620	$42,560
DEC	8,690	6,000	1,890	1,290	2,820	1,590	220	1,370	1,100	45	49	54	251,510	32,820	44,080
1983															
JAN	11,220	6,450	2,180	1,440	2,830	3,600	470	3,130	1,170	43	29	55	245,140	42,090	41,960
FEB	12,000	7,030	2,220	1,500	3,310	3,570	470	3,100	1,400	36	41	58	248,980	41,980	42,230
MAR	11,960	7,250	2,410	1,640	3,200	3,490	480	3,010	1,220	43	44	56	248,630	41,300	44,850
APR	12,080	7,170	2,340	1,700	3,130	2,760	10	2,750	1,000	49	49	66	262,050	43,670	43,790
MAY	11,200	6,930	2,510	1,700	2,720	3,470	10	3,460	800	43	40	64	267,170	44,300	41,940
JUN	12,920	8,250	2,780	1,850	3,630	3,480	10	3,470	850	46	40	64	294,020	51,230	45,180
JUL	11,960	7,760	2,490	1,710	3,560	3,410	0	3,410	790	50	17	60	305,860	43,090	42,620
AUG	11,480	7,190	2,170	1,600	3,420	3,400	0	3,400	890	52	15	59	289,220	41,800	39,150
SEP	10,870	6,530	1,870	1,460	3,200	3,440	10	3,430	900	45	33	47	264,720	44,760	33,870
OCT	11,060	6,590	1,780	1,460	3,350	3,550	210	3,340	920	51	89	51	274,860	44,100	38,970
NOV	11,450	5,990	1,800	1,380	3,810	3,240	0	3,240	1,220	51	51	44	292,100	48,620	40,400
DEC	10,860	6,050	1,570	1,250	3,230	3,500	550	2,950	1,310	43	88	48	259,530	46,690	39,600
1984															
JAN	14,720	6,420	1,390	1,150	3,880	7,400	10	7,390	900	46	45	49	283,720	51,610	36,130
FEB	14,320	5,920	1,380	1,140	3,400	7,450	10	7,440	950	54	50	45	275,010	48,960	41,550
MAR	14,860	6,320	1,350	1,170	3,800	7,510	0	7,510	1,030	47	23	41	281,010	56,610	44,380
APR	16,250	7,500	1,540	1,320	4,640	7,720	0	7,720	1,030	52	22	49	323,690	48,730	42,310
MAY	15,500	6,910	1,390	1,030	4,490	7,390	0	7,390	1,200	48	37	47	332,570	59,010	46,280
JUN	10,270	8,320	1,840	1,450	5,030	780	0	780	1,170	47	37	102	313,650	56,750	38,670
JUL	8,870	6,990	1,480	1,090	4,420	730	0	730	1,150	55	31	91	317,600	63,980	39,840
AUG	7,070	5,520	1,060	740	3,720	640	0	640	910	60	31	113	282,400	42,060	39,110
SEP	7,310	5,490	1,010	680	3,800	640	0	640	1,260	58	51	45	302,840	39,300	38,930
OCTp	7,240	5,540	1,080	750	3,710	590	0	590	1,110	64	52	45	311,760	38,490	37,260

CONSTRUCTION AND LAND LOAN ACTIVITY[1]

Year and Month	DISBURSEMENTS DURING MONTH					CONSTRUCTION LOANS CLOSED				END OF MONTH INVENTORY				
	Total	1-4 Units	5+ Units	Non-res.[3]	Land Loans	Total	1-4 Units	5+ Units	Non-res.[3]	Total	1-4 Units	5+ Units	Non-res.[3]	Land Loans
1982														
NOV	$130	$ 80	$10	$ 40	$ 30	$430	$130	$220	$ 80	$3,150	$ 840	$ 740	$1,570	$ 610
DEC	170	70	30	70	60	490	120	110	260	3,190	880	700	1,610	620
1983														
JAN	100	50	20	30	60	280	120	30	130	2,810	750	650	1,410	580
FEB	150	60	30	60	60	280	110	60	110	3,160	890	620	1,650	630
MAR	170	80	20	70	50	540	180	190	170	3,090	930	580	1,580	610
APR	130	50	10	70	60	290	150	610	80	2,030	610	330	1,090	680
MAY	320	160	40	120	160	470	130	80	260	7,290	2,080	1,140	4,070	1,600
JUN	430	170	60	200	120	500	130	90	280	7,400	2,120	1,080	4,200	1,580
JUL	120	60	10	50	40	180	80	30	70	2,580	810	380	1,390	660
AUG	110	70	10	30	80	200	120	20	60	2,410	760	340	1,310	650
SEP	160	70	20	70	50	440	100	60	280	3,120	950	430	1,740	650
OCT	130	60	20	50	90	350	90	140	120	3,220	990	430	1,800	750
NOV	140	70	10	60	90	390	150	120	120	3,160	1,010	350	1,800	750
DEC	570	180	50	340	250	560	130	190	240	8,490	2,710	940	4,840	1,550
1984														
JAN	180	70	20	90	140	460	130	100	230	3,490	1,050	430	2,010	650
FEB	150	70	10	70	90	280	80	90	110	3,280	880	370	2,030	630
MAR	190	80	30	80	220	350	120	80	150	3,360	990	380	1,990	840
APR	200	90	30	80	100	620	140	360	120	3,220	1,040	460	1,720	860
MAY	180	80	10	90	160	420	190	130	100	3,220	1,060	380	1,780	930
JUN	380	120	10	250	360	760	120	180	460	4,710	1,610	540	2,560	1,250
JUL	280	70	10	200	180	790	130	210	450	2,760	900	240	1,620	1,120
AUG	100	60	0	40	90	410	110	130	170	2,200	790	190	1,220	830
SEP	100	50	10	40	120	440	100	160	180	2,150	790	180	1,180	800
OCTp	90	40	10	40	130	400	210	100	90	2,140	780	190	1,170	850

COMMITMENTS TO BORROWERS: LAND AND CONSTRUCTION LOANS[1] — NOTES PAYABLE[1]

Year and Month	Issued During Month				End of Month Balances				End of Month Balances			
	Total	1-4 Units	5+ Units	Non-Res.[3]	Total	1-4 Units	5+ Units	Non-Res.[3]	Total	Comm. Paper	To Parent	To Others
1982												
NOV	$1,370	$190	$ 880	$ 300	$ 7,810	$ 860	$ 4,040	$2,910	$12,720	$1,910	$ 5,850	$ 4,960
DEC	1,050	160	500	390	5,800	850	2,220	2,730	14,660	2,740	6,950	4,970
1983												
JAN	1,730	100	1,420	210	7,170	660	3,990	2,520	19,270	3,320	10,270	5,680
FEB	1,020	130	420	470	8,830	810	4,570	3,450	20,070	3,530	8,370	8,170
MAR	2,840	240	2,260	340	9,400	1,010	5,810	2,580	20,640	3,960	9,510	7,170
APR	1,350	140	500	710	8,400	980	4,900	2,520	20,120	3,330	10,200	6,590
MAY	1,070	120	610	290	6,280	650	3,900	1,730	25,640	3,780	10,460	11,400
JUN	1,410	160	550	700	6,780	970	3,710	2,100	36,620	4,490	10,570	21,560
JUL	1,970	120	1,780	70	7,160	910	4,660	1,590	36,150	4,410	14,100	17,640
AUG	900	180	100	620	5,620	940	2,480	2,200	35,370	8,920	10,920	15,530
SEP	1,100	100	690	310	5,210	870	2,190	2,150	41,300	3,110	9,820	28,370
OCT	1,650	130	990	530	22,340	1,080	18,890	2,370	30,150	2,760	8,870	18,520
NOV	1,770	120	900	750	8,520	1,270	3,960	3,290	32,200	3,690	10,520	17,990
DEC	3,460	110	2,310	1,040	19,710	1,030	15,450	3,230	29,590	2,770	7,140	19,680
1984												
JAN	1,080	80	400	600	10,900	390	7,440	2,660	31,180	3,900	9,810	17,470
FEB	1,300	90	530	680	9,500	750	5,650	3,100	23,480	3,710	8,530	11,240
MAR	2,840	150	2,240	450	5,710	610	2,070	3,030	42,850	5,060	9,130	28,660
APR	3,940	120	3,260	560	10,080	960	5,780	3,340	27,280	3,190	15,280	8,810
MAY	3,530	170	2,770	590	11,480	1,030	6,750	3,700	35,190	4,690	21,880	8,620
JUN	1,170	150	60	960	5,140	1,040	1,010	3,090	31,530	4,910	12,610	14,040
JUL	1,730	130	60	1,540	4,090	870	470	2,750	41,960	6,190	12,710	23,060
AUG	770	190	80	500	3,680	850	460	2,370	47,940	5,750	13,220	28,970
SEP	760	100	80	580	4,170	760	580	2,830	59,220	4,520	14,240	40,460
OCTp	690	130	160	400	3,820	860	590	2,370	54,850	4,830	14,720	35,300